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July 17, 1996

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Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222  
Washington, D.C. 20554

Re: WT Docket No. 95-157

Dear Mr. Caton:

In accordance with Section 1.1206(a) (2) of the Commission's Rules, 47 C.F.R. § 1.1206(a) (2), this is to notify the Commission that on July 16, 1996, Jay Kitchen, Mark Golden, Robert Hoggarth, Robert Petit and I, on behalf of the Personal Communications Industry Association ("PCIA"), met with Michele Farquhar and David Furth.

The purpose of this meeting was to discuss the PCIA clearinghouse proposal. The subjects discussed are fully reflected in the enclosed materials, which were left with Ms. Farquhar and Mr. Furth.

Should you have any questions regarding the matter, please call me.

Respectfully submitted,



R. Michael Senkowski

RMS:sap

Enclosures

cc w/o enclosures: Ms. Michele Farquhar  
Mr. David Furth

C-1

## CLEARINGHOUSE PLAN CONSIDERATIONS

- The Record Clearly Indicates That The FCC Should Designate a Single Clearinghouse
  - Ten of the Twelve Parties Filing Comments on the Clearinghouse Proposals Support One Clearinghouse: APC, APT, AT&T, BellSouth, Omnipoint, Pacific Bell Mobile Services, PCIA, Primeco Personal Communications, Sprint Spectrum and UTC
  - Parties Supporting a Single Clearinghouse Include Both PCS and Microwave Entities.
- The ITA Plan is Deficient in Several Critical Areas Requested By the FCC
  - ***Industry-Wide Participation***  
"We also believe it is essential for the plan to be administered by industry to the fullest extent possible." *Cost Sharing Order*, ¶ 84.  
  
*PCIA*: Clearinghouse Governance Open to All Entities That Participate in Cost Sharing Plan Through Fifteen Member Board of Directors.  
  
*ITA*: No Independent Governance Body to Administer the Clearinghouse; ITA Will Manage and Set Clearinghouse Policy

- ***Not-For-Profit Status***

"[T]he Wireless Telecommunications Bureau ("Bureau") solicits business plans from parties who wish to act as a neutral, not-for-profit administrator."

*Clearinghouse Public Notice* at 1.

*PCIA*: Clearinghouse Will Be Incorporated as a Stand-Alone Non-Profit Entity with a Guarantee that Any Excess Funds will Be Reimbursed.

*ITA*: Clearinghouse Will Be Organized as a Division of ITA; No Structural Safeguards or Guarantee that Funds Will Be Returned.

- ***Neutrality***

"Each entity should describe how it intends to remain impartial, especially if both PCS licensees and microwave incumbents are permitted to participate in cost-sharing." *Clearinghouse Plan Public Notice* at 2.

*PCIA*: Governing Board of Directors Open to All Cost Sharing Participants.

*ITA*: No Independent Governing Body Between ITA's Management and Clearinghouse. Mark Crosby Served As a Consultant With the Law Firm of Keller & Heckman Advising The City of San Diego In Their Relocation Negotiations

- ***Financial Data***

"Business plans should address how the entity intends to raise start-up funds . . ."  
*Clearinghouse Public Notice* at 2.

*PCIA*: Firm Commitments From A and B Block Licensees to Provide Necessary Start-Up Funding.

*ITA*: Plan Relies on "Existing Internal Resources" to Fund Initial Activity, But Is Silent as To Source of Resources and Fails to Provide Balance Sheet.

***Confidentiality***

"The plan should describe how the entity intends to address the concerns about confidentiality that were raised in comments filed in the cost-sharing proceeding."  
*Clearinghouse Plan Public Notice* at 2.

*PCIA*: All Information Submitted is Confidential and Released Only To Support Cost Sharing Obligations.

*ITA*: Unclear What Information Will Be Distributed Through Sale of Database Related Products (such as CD-ROMs).

## Cost Sharing Clearinghouse Plan Comparison

Issue	PCIA's Plan	ITA's Plan
<b>Industry-Wide Participation to Develop Plan</b>	<ul style="list-style-type: none"> <li>PCS Industry-Wide Effort to Develop Cost Sharing Clearinghouse Plan -- Developed Over Months of Industry Discussion and Fully Discussed in the Record</li> </ul>	<ul style="list-style-type: none"> <li>No Indication That Any Industry Members Had Input to Development of the Clearinghouse Plan Developed Shortly Before the Sunshine Date in This Proceeding</li> </ul>
<b>Industry-Wide Participation Through Governance</b>	<ul style="list-style-type: none"> <li>All Entities That Participate in the Cost Sharing Process Can Participate in Clearinghouse Governance</li> </ul>	<ul style="list-style-type: none"> <li>Mark Crosby of ITA Will Manage and Set Policy for the Clearinghouse</li> <li>No Independent Governance Body Between ITA and the Clearinghouse Participants</li> </ul>

<b>Fee Structure</b>	<ul style="list-style-type: none"> <li>● Single Transaction Fee on a Per-Link Basis Not Due Until a Cost Sharing Transaction has Taken Place</li> </ul>	<ul style="list-style-type: none"> <li>● Variety of Fees for Different Activities May Be Due in Advance of Cost Sharing Activity and Additional Revenues From Sales of Related Database Products (Such As CD-ROMs)</li> </ul>
<b>Non-Profit Status</b>	<ul style="list-style-type: none"> <li>● Clearinghouse Will Be Incorporated as a Non-Profit Entity and ByLaws Provide that Excess Funds Will be Refunded at Dissolution</li> </ul>	<ul style="list-style-type: none"> <li>● Clearinghouse Will Be Organized as a Division That Operates as Part of ITA, a Non-Profit Entity</li> <li>● No Structural Separation Between ITA and Clearinghouse, and Plan Silent on Cost-Allocation Methods</li> <li>● No Guarantee that Excess Funds Will Be Returned</li> </ul>
<b>Neutrality</b>	<ul style="list-style-type: none"> <li>● 15 Member Board of Directors Elected From Cost Sharing Industry Participants</li> </ul>	<ul style="list-style-type: none"> <li>● No Independent Governing Body Proposed Between ITA's Management and Clearinghouse</li> </ul>

<b>Confidentiality</b>	<ul style="list-style-type: none"> <li>● All Information Submitted to Clearinghouse Treated as Confidential and Released Only To Cost Sharing Entities To Support Their Obligations.</li> </ul>	<ul style="list-style-type: none"> <li>● Unclear What Information Will Be Distributed, Particularly Through the Sale of CD-ROM Database Products</li> </ul>
<b>Financial Estimates</b>	<ul style="list-style-type: none"> <li>● Fee Based Upon Conservative Revenue Estimates and Generous Estimates of the Costs Incurred <ul style="list-style-type: none"> <li>- Projected 2,000 Cost Sharing Transactions During the First Five Years.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Fees Based on Optimistic Revenue Projections <ul style="list-style-type: none"> <li>- Estimated 4,000 Cost Sharing Transactions over the Next Two Years, or 80% of the Total Number of Links in the Band.</li> </ul> </li> <li>● No Expense Projections Provided Beyond Year 2</li> </ul>

<b>Funding</b>	<ul style="list-style-type: none"> <li>● Upfront Funding Pledged To Support the Clearinghouse Until Transaction Fee Payments Cover Administrative Costs</li> <li>● Firm Commitments From Several A and B Block PCS Licensees to Provide Upfront Funding</li> </ul>	<ul style="list-style-type: none"> <li>● Rely on "Existing Internal Resources" To Fund Clearinghouse Initiation Activities.</li> <li>● Silent on Source of Internal Financial Resources</li> <li>● No Balance Sheet to Demonstrate Funding Availability</li> </ul>
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